

04/01/03

**Office Action Summary**

Application No.

09/225537

Applicant(s)

Guslag

Examiner

A Kerey G

Group Art Unit

3624

**—The MAILING DATE of this communication appears on the cover sheet beneath the correspondence address—****Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE \_\_\_\_\_ MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, such period shall, by default, expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).

**Status**

- ☒ Responsive to communication(s) filed on 8/13/02 and 8/28/02
- ☐ This action is **FINAL**.
- ☐ Since this application is in condition for allowance except for formal matters, **prosecution as to the merits is closed** in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

**Disposition of Claims**

- ☒ Claim(s) 32-80 is/are pending in the application.
- Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- ☒ Claim(s) 32-80 is/are allowed.
- ☐ Claim(s) \_\_\_\_\_ is/are rejected.
- ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- ☐ Claim(s) \_\_\_\_\_ are subject to restriction or election requirement.

**Application Papers**

- ☐ See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.
- ☐ The proposed drawing correction, filed on \_\_\_\_\_ is ☐ approved ☐ disapproved.
- ☐ The drawing(s) filed on \_\_\_\_\_ is/are objected to by the Examiner.
- ☒ The specification is objected to by the Examiner.
- ☐ The oath or declaration is objected to by the Examiner.

**Priority under 35 U.S.C. § 119 (a)-(d)**

- ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).
- ☐ All ☐ Some\* ☐ None of the CERTIFIED copies of the priority documents have been received.
- ☐ received in Application No. (Series Code/Serial Number) \_\_\_\_\_.
- ☐ received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

\*Certified copies not received: \_\_\_\_\_

**Attachment(s)**

- ☒ Information Disclosure Statement(s), PTO-1449, Paper No(s). 26
- ☒ Notice of Reference(s) Cited, PTO-892
- ☐ Notice of Draftsperson's Patent Drawing Review, PTO-948
- ☐ Interview Summary, PTO-413
- ☐ Notice of Informal Patent Application, PTO-152
- ☐ Other \_\_\_\_\_

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## **DETAILED ACTION**

### ***Summary of the Office Action***

1. Applicant's amendment C (Paper #27) filed on 8/13/02 and the terminal disclaimer filed on 8/13/02(Paper #26 attachment) and the supplemental amendment D(Paper #28) filed on 8/28/02 have been reviewed and are persuasive. Therefore claims 32-80 are considered allowable over the prior art of record.

### ***Specification***

2. The abstract of the disclosure is objected to because it is too long. Abstracts should be 150 words in length. Correction is required. See MPEP § 608.01(b).

### ***Allowable Subject Matter***

3. Claims 32-80 are allowed. The following is a statement of reasons for allowance. The instant invention provides a system for selectively analyzing market data to derive an index instrument for measuring the characteristics of credit markets associated with the trading of fixed income securities. The present disclosure provides a computer-implemented means for collecting real time information on current market activity in fixed income securities and processing this data to derive the term structure of interest rates in real time as well as furnishing a real time barometer of the debt market and delineating an index for a basket of debt securities for use in automated electronic trading in futures and options contracts. The key elements which are specified in the independent claims 32,35,38,41,44,46,48,51,54,57,60,62,63,67,71,75,79 that differentiates the invention over the prior art are:

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(A)-Applicant's concept provides a method for determining an index value for a notional fixed income instrument as derived from calculating yield or price from other debt instruments and from this providing a market for the trading of debt futures contracts based on the notional fixed income instrument and executing trades electronically of these debt futures contracts.

(B)-Applicant's concept furnishes a method of distributing data on the executed trades in debt futures in real time for market participants permitting an electronic marketplace to exist for the delivery of combinations of fixed-income debt securities having 2,3,5 and 10 year maturities.

The present invention provides a system for conducting organized electronic futures trading in debt instruments among pension fund managers, institutions, investors and traders. Because the debt market is larger than the equity market in the United States, this disclosure provides a tangible benefit of permitting market participants to make accurate determinations of real time valuations of debt portfolios. The index processor in the invention furnishes a mechanism for ascertaining the least expensive portfolio of debt securities deliverable pursuant to an futures contract at the delivery date. This portfolio is then distributed through vendors to the financial community as well as supporting transactions on the debt options exchange. Finally the minimum cost portfolio of debt securities is used as a reference against the index. These real time index and least expensive portfolio values provide references for the trading in debt futures and debt options utilizing real time current valuations. The closest prior art, Wolfberg(US Pat. No: 5,214,579) teaches a data processing system which manages the growth of a participant's investment base toward a target, as well as Chance "Introduction to Derivatives"(1998) which discusses spot and

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forward pricing, as well as Tull(US Pat. No: 5,946,667) which teaches a limited issued debt instrument as well as Towers(US Pat. No: 4,566,066) which provides a data processing system for valuing user portfolios. It is clear from the description of Wolfberg's, Tull's, Towers' and Chance's disclosures that the prior art does not address the features of "determining an index value in terms of a notional fixed income related instrument the method using market data for another debt instrument and comprising calculating a value for the other instrument from electronic market data related to market conditions for the other instruments and calculating a price or yield of the notional fixed income related instrument using the values for the other instruments and providing an electronic futures market for the trading of futures contracts and debt instruments based on the notional fixed-income related instrument and executing a trade of the futures contract electronically and distributing in real time executed trade information related to the trade to at least one of a clearing system, vendors or market participants" as described in the independent claims 32, 35, 38, 41, 44, 46, 48, 51, 54, 57, 60, 62, 63, 67, 71, 75, 79. The dependent claims are allowed because they are dependent from allowable independent claims as addressed.

4. The next closest prior art of record which does not disclose these features includes:

- Kalmus(US Pat. No: 4,674,044) teaches a method for automated stock trading

- Fox(US Pat. No: 5,132,899) teaches a stock/cash portfolio development system for investment

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NPL: "Parsimonious Modeling of Yield Curves" Nelson, Charles & Siegel, Andrew-The Journal of Business-University of Chicago Graduate School of Business-Vol 60 No: 4 October, 1987(p 473-489).

Foreign Patent: Ginsberg, P.M. "Fixed Income Portfolio Data Processor and Method for Using Same" EPO 0 573 991 A1 9/6/93(priority date of 10/6/92).

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5. Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

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6. Any questions concerning this communication should be addressed to the examiner of record, Dr. Geoffrey Akers, P.E., who can be reached between 6:30 AM and 5:00 PM Monday through Friday at 703-306-5844. If attempts to contact the examiner are unsuccessful, the examiner's superior, Mr. Vincent Millin, SPE, may be telephoned at (703)-308-1065.

The fax number for Formal or Official faxes and Draft or Informal faxes to Technology Center 3600 or this Art Unit is (703)-308-3687. Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703)-308-1113.

GRA

September 3, 2002

